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JAN 11 1993

Before the Federal Communications Commission
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
Implementation of the)
Cable Television Consumer)
Protection and Competition)
Act of 1992)

FBI Docket No. 92-263

Consumer Protection and)
Customer Service)

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FCC - MAIL ROOM

To: The Commission

Comments of
The Northwest Municipal Cable Council

Carole Stannard-Gabor
Executive Director
Northwest Municipal Cable Council
112 N. Belmont Avenue
Arlington Heights, IL 60004
(708)506-1133

For:
Members

The Village of Arlington Heights
33 S. Arlington Heights Road
Arlington Heights, IL 60004

Village of Bartlett
228 S. Main Street
Bartlett, IL 60103

City of Des Plaines
1420 Miner Street
Des Plaines, IL 60016

Village of Hanover Park
2121 W. Lake Street
Hanover Park, IL 60103

City of Park Ridge
363 Park Place
Park Ridge, IL 60068

Village of Wheeling
235 W. Dundee Road
Wheeling, IL 60090

Also Participating:

Village of Northbrook
1225 Cedar Lane
Northbrook, IL 60062

Village of Schaumburg
181 Schaumburg Court
Schaumburg, IL 60193

Village of Streamwood
301 East Irving Park Road
Streamwood, IL 60103

January 8, 1993

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To: The Commission

Comments of
The Northwest Municipal Cable Council

The Northwest Municipal Cable Council, on behalf of their member and participating non-member communities, offer their comments in the matter of Consumer Protection and Customer Service.

As you stated in your background discussion, despite the fact that local authorities were able to mandate and enforce customer service standards, many did not. As a result customers grew increasingly dissatisfied with the service provided by most cable operators. As customer complaints grew, many local authorities researched customer service standards but met with opposition from the cable operators. TCI told our officials that we could not unilaterally adopt standards without negotiation. Our officials did stick to their guns and standards were adopted. Later, TCI formally agreed to negotiated customer service and technical standards in a franchise modification.

As a result, complaints have gone from a high of 1801 in fiscal year 1987/88, to a low of 505 in fiscal year 1991/92. In addition, 144 of the complaints for last year were generated by a customer service survey done in conjunction with a performance evaluation. For the first half of this fiscal year, we have registered 150 complaints. Everyone won. The customers received better service, we received fewer complaints, and TCI gained over 28,000 subscribers. Even non-member communities serviced by the system have benefited from the standards even though they did not specifically adopt them.

This is a success story. The legislation, we believe, is to address those areas where the municipalities do not have the staff, knowledge, or in some cases unfortunately the interest, to pursue development and enforcement of standards. The industry, in an attempt to ward off legislation, designed their own standards. As you pointed out in your discussion, these are voluntary and not enforceable. Our fear is that once the legislative heat is off, some operators will go back to business as usual. For these reasons, the standards have to be national minimum standards. This would also alleviate the necessity of modifying or conducting early renewals of existing franchises in order to put the standards in place.

Establishing Standards:

We have enclosed a copy of our customer service standards for your review. Our standards are actually a little less stringent than the NCTA standards in some respects. Ironically, our standards were derived from the standards that cable operators in surrounding areas expected from their staff. As a former Group W employee, I knew we had standards that we were

expected to keep and I suspected that most companies expected a certain level of performance from their employees. In establishing the standards, we took the feedback that we received from the various operators into consideration. We allowed for situations where outages, power problems, storms and such, are out of the operator's control. TCI has easily met the standards almost from the time of inception.

You are considering using the NCTA standards as a benchmark. This would be a good starting point, but we believe that some modification is needed. My records show that TCI has never met the NCTA standard of a 30 second hold time. To meet that requirement in a system this size would require an enormous staff. I suspect that standard would be hard to meet in most systems. Our standard is two minutes. TCI falls around one minute most of the time. You have a concern, as we did in the beginning, as to what happens after normal business hours. It seems that once they got used to providing that level of service, it became more of a habit. We really have not had many complaints about after hour service. As a matter of fact, TCI has just notified us that they are starting to provide seven day service call availability.

The second portion of the NCTA standards are again a good starting point. We believe that 24 hours is too long for an outage. The number of outages a system has is not addressed. It is also not addressed in the technical standards which were adopted earlier this year. We feel that there should be a standard. There is an unacceptable number of outages in this system. This is discussed with TCI on a monthly basis. We are hopeful that the fiber project that they are working on will help. In the meantime, we have not been able to come to any sort of agreement as to how many outages are too many.

You pointed out that missed service calls are a problem in many areas. It is difficult for the customer who must take time off from work to be home for a service call, especially if that time is unpaid. We would suggest requiring credit for the time the service is not working properly plus a flat credit of possibly \$5.

Another area which we feel needs to be addressed is the identification of employees and subcontractors, especially in this day. We require that all personnel going to the homes wear IDs, and all trucks must identify the contractor or cable operator in a conspicuous manner.

What hasn't worked:

Even with all of our hard work and accomplishments, there is one area which desperately needs to be addressed. We have not been able to get anywhere with billing practices. TCI tells us that the billing is done on a national basis, and they cannot change procedures for one area. We feel it needs to be changed nationally.

First, cable operators bill in advance. They justify this because they have to pay for the programming up front. In addition, the phone company does it. Bills are generated 10 days to two weeks before they are due. By the time it makes it into the postal system and into the customer's hand, they have 5 - 10 days before it is due. That is barely enough time to mail a payment if you mailed it the same day since the lockbox is out of state. It takes approximately 10 days for a payment to post to your account from the time it is mailed. This means that you usually will be late unless you take the payment in. Ironically, we had made them put due dates on the bills instead of due upon receipt, but in actuality it still is due upon receipt.

If your payment is not received within 10 days after the due date, you are subject to a \$5.00 late fee in TCI systems. That is 27% for a basic only subscriber, 15.5% for the average subscriber with one pay service. Illinois Bell charges a 1 1/2% late fee. Because you are billed in advance, you are paying a late fee on services you have not yet received.

If the bill is still unpaid when the next bill generates, leaving you 30 days past due even though you have only received 20 days of service at this point, you get a notice on the new bill stating that your service will be disconnected. At 45 days, a technician is sent to your door to give you the opportunity to pay. They only charge you an additional \$20.00 for this service. If you are not home, or choose not to pay, you are disconnected. The fee to reconnect then goes to \$40.00.

Residents call TCI's billing policy mafioso, mafia style collections, unconscionable, outrageous and so on. TCI's response has been that we should not be protecting people who do not pay their bills. We feel that people should be given a reasonable amount of time to pay their bills. We think that late charges should not be usury. We think that people should not be knocking on your door to collect payments or talking about your past due balances in your front yard with your neighbors present.

We previously tried to negotiate the following provisions with TCI in addition to the provisions that are currently in place:

- *The customer should be given a full two weeks from the time he receives the bill to the time it is due.
- *Late fees should be anywhere from 1% to an absolute maximum of 5%.
- *Because of advance billing, disconnects should not take place before the bill reaches 60 days.
- *Collections should be done by phone.
- *Reconnect fees should be no more than installation fees and should not apply to first time "offenders".

We feel that this would be a more reasonable approach, and would not cost the operator any more to comply with. It may actually go a long way towards improving customer relations which as we have already shown is profitable.

Enforcing Standards:

In order to enforce standards, you have to have information. Reports have to be required wherever reporting is feasible. Many systems have automated phone systems which will calculate the number of calls received, abandonment, time on hold, and busy signals. It would be easy for those systems to provide this report. Many smaller systems use a ledger approach. Admittedly it is not as accurate in many ways, but it has the benefit of being able to break down the type of call received in addition to the number of calls received. The Group W system did not have an automated phone system. Customer service representatives were expected to pick up a call within 3 rings. They had to bounce between calls to ensure that no one was waiting too long. It can be done. It requires good people, good training and good management. Local authorities can assess performance by making calls into the system. You can gauge problems by the amount and type of complaints you are getting.

Most, if not all cable operators keep track of the number of outages and service calls for their own internal reports. Again, providing that information to the local authority would not be overburdensome. The local authority can quickly review the reports.

If there are problems, we use the notice and opportunity to cure approach. If a problem is still not resolved after a certain amount of time, depending on the type of violation, they

can be subject to fines of \$200 per day. We give a shorter period of time to fix problems existing at the customer's home. We do not feel that the customer should have to wait a month for resolution. To leave violations unpunishable until renewal does not make any sense. We have found that the quicker a problem is resolved, the less likely it is to snowball. The standards need to be enforced on a regular basis.

Conclusions:


We believe that a national set of minimum standards should be effective by July 1, 1993. We see no reason why anyone in a service oriented business cannot live up to these minimum standards. Also, as we have shown, it is beneficial for the cable operator to provide good service even in the absence of competition.

Reports showing compliance need to be provided to the local authority on a monthly basis. The reporting requirements will have to be tailored to the ability of the system to provide such information. With regular oversight, problems will be minimized.

If a community is to be certified to have the authority to regulate rates, under the 1992 legislation they have to have "the personnel to administer such regulations". It would stand to reason that the same personnel would be able to provide oversight of customer service standards as well. We suggest the possibility of including this in the certification procedure.

We have shown that customer service standards are not overly burdensome to either the cable operator or the local authority which is the intent of the legislation. Everyone wins, but the ultimate beneficiary is the customer.

Respectfully Submitted,



Carole Stannard-Gabor
Executive Director

Section 16: Maintenance And Customer Service

The Franchisee shall:

- (a) Maintain all wires, conduits, cables and other real and personal property and facilities comprising the cable television in good working condition.
- (b) At all times maintain a force of one or more agents or employees in sufficient numbers and of sufficient qualifications to safely, adequately and promptly repair any structural damages to system equipment which is located, in over, under, or upon public streets, ways or places; and to immediately secure the public safety in the vicinity thereof, prior to, and during the making of said repairs.
- (c) Operate the cable television system continuously, with operating personnel available on call 24 hours per day with a publicly listed telephone number to receive complaints and requests for repairs or adjustments at any time.
- (d) Render efficient service, locate and repair malfunctions promptly, and respond to subscriber service complaints within 24 hours after notice; except where extraordinary circumstances exist, as provided in the Cable Communications Ordinance.
- (e) Maintain a log accurately showing the time, the duration, probable cause, and action taken on all failures or outages on the main distribution system and each and every subscriber complaint or request for repair received and the disposition thereof. Said log shall be available for inspection by the Municipality or the public at any time during normal business hours.
- (f) Maintain a customer service office in each of the following Municipalities: Arlington Heights, Des Plaines, Hanover Park, Mount Prospect, Park Ridge, and Schaumburg and Streamwood. Subscribers may use any customer service office listed above for payment and adjustment of bills, complaints and requests for repair or other transactions. Each office shall maintain regular business daytime and limited evening hours which shall include at a minimum, four and one-half business days between Monday and Friday, and Saturday morning.
- (g) Furnish information, as subscribers are connected or reconnected to the cable television system, concerning the procedures for making inquiries or complaints. Such information shall include, at a minimum, the address, telephone number and hours of operation of the cable television company, and title of the person to whom such inquiries and complaints are to be addressed.

"(g) Phone Service:

- (1) Calls must be answered within four (4) rings by an operator or by a mechanical device.
- (2) Hold time for all calls may be no more than two (2) minutes (one hundred twenty (120) seconds) during any monthly reporting period between the hours of 8:00 AM and 8:00 PM, Monday through Friday, and 8:00 AM to 5:00 PM on Saturdays, except in those situations where an act of God or failure of a

third party to provide power or service to the cable operator shall cause a backlog on the phone system.

(3) The abandonment rate for calls shall be no more than ten percent (10%) of the calls reported as incoming during any monthly reporting period between the hours of 8:00 AM and 8:00 PM, Monday through Friday, and 8:00 AM to 5:00 PM on Saturdays, except in those situations where an act of God or failure of a third party to provide power or service to the cable operator shall cause a backlog on the phone system.

(4) The Municipality shall consider unique or one time occurrences in the evaluation of the average standards described in subsections (a)(2) & (3) above.

(h) Service Call Response:

(1) All requests for installation, upgrade, downgrade, or disconnection shall be completed within ten (10) working days of the time service is requested in serviceable areas unless scheduled at a date convenient to the customer in excess of the ten (10) working days established.

(2) All customer service calls regarding repairs and/or service problems that are not outage related shall receive a return phone call within twenty four (24) hours following receipt of the complaint and the repairs completed within forty-eight (48) hours, unless documented that the necessary repairs and/or service will take longer; however, at no time should the repairs and/or service take longer than one week to complete.

(3) When practicable, a designation of A.M., P.M. or evening shall be given to the resident for the time designation on the service call. An "open" designation shall be given only in situations when designation is impracticable due to a filled A.M., P.M. or evening schedule, or at the customer's request.

(4) If a resident misses a service call, a new date for the repair must be given with five (5) business days which include Monday through Saturday, eight o'clock (8:00) A.M. to five o'clock (5:00) P.M. If a technician misses a service call, a new date for repair shall be made at the resident's convenience within forty-eight (48) hours and in accord with the operator's business hours.

(5) An outage call affecting three (3) customers in the same geographic area, off the same line or feeder, reported to the Franchisee before nine o'clock (9:00) P.M. every day, including weekends and holidays, shall be corrected the

same day except in cases of severe damage caused by an act of God. The determination of three (3) customers shall be the responsibility of the Franchisee.

(6) An outage call affecting three (3) customers in the same geographic area, off the same line or feeder, received by the Franchisee after nine o'clock (9:00) P.M. may be postponed until the following morning, and corrected by noon. In the event of extensive system failure, corrective action shall begin immediately. "Extensive system failure" for purposes of this subsection means the failure of any trunk or feeder cable causing a service outage to ten (10) or more customers in any geographic area or the failure of modulator equipment, satellite reception equipment or other system functions that results in the interruption of service throughout the franchise area. The determination of ten (10) customers shall be the responsibility of the Franchisee.

(7) The Franchisee will initiate prompt corrective action if any is needed to satisfy unresolved complaints. If a customer is not satisfied with the resolution of a complaint, that customer shall automatically be referred to a management person. Local management shall work with the person to resolve the problem within forty eight (48) hours. In the event that local management does not satisfy the customer's complaint, the complaint shall be referred to the district manager.

(8) Customer service operators and service technicians, including contracted help, shall identify themselves by name. When performing work at a customer's home, a company identification badge shall be displayed on the outer clothing of the technician or contractor. Further, any vehicle used for cable installation, maintenance or repair shall bear the identification of the Contractor or the Franchisee in a conspicuous place and manner.

(9) Customers shall receive a copy of the service report and a phone number to call to resolve any additional problems at the time the service is completed.

(i) Billing:

(1) Subscribers shall receive a monthly statement with a date for payment.

(2) All statements shall clearly denote a postmark or initiated date of bill.

(3) A phone number for bill adjustment shall be printed on the statement, along with instructions to call for any billing problems.

(4) The statement shall clearly state the dates of service for which the

subscriber is being billed.

(5) Upon request of the resident, an adjustment will be made for any verified loss of service. This adjustment shall be made no later than one billing cycle after the notification occurs. The subscriber must request the adjustment within the next billing cycle after the loss of service occurs.

(6) Billing complaints shall be resolved within one business cycle.

(7) Late payment charges and the time of institution shall be clearly stated.

(8) No bill shall be considered delinquent or be the basis for termination of service that is subject to dispute which dispute has not been resolved by the Franchisee's dispute resolution procedures. All time periods in this subsection shall be tolled while dispute resolution procedures are taking place.

(4) Notification Procedures: The Franchisee shall, at the time service is initiated, either for the first time or by reconnection, provide the customer with written information covering:

(1) Instructions for using converters and remote controls.

(2) Instructions for using VCRs and other personal equipment in conjunction with the cable service.

(3) The fact that A/B switches are available.

(4) The procedure to change services.

(5) What to do in case of a problem, trouble shooting, and where to call for service.

(6) A channel chart, and one free cable guide.

(7) The time allowed to pay outstanding bills;

(8) Grounds for termination;

(9) Steps taken before termination;

(10) How customers may resolve billing disputes, and phone numbers to call;

(11) Steps necessary to restore service;

(12) The fact that customer service representatives and service technicians shall identify themselves;

(13) The fact that customers have the right to speak to a supervisor;

(14) The time frame for resolving reception and billing problems;

(15) The appropriate regulatory authority with whom to register a complaint and a listed phone number;

(16) The address and phone number of the Franchisee, and the title of the

person to whom complaints or inquiries may be addressed:

(17) Charges for late payment or returned checks.

(18) The subscriber's rights to receive credit for any verifiable outage which they report to the Franchisee. (TCI says this has only been negotiated with Arlington Heights.)

A customer may request a copy of the above listed information at any time, for no charge.

(k) Agreements/Promotions: The Municipality shall be placed on the mailing list for all local, national, and co-op promotions. All promotions must clearly state the cost of the service to the subscriber, restrictions of the promotion, and date the promotion terminates.

(l) Notification to the Municipality:

(1) The Franchisee shall notify the Municipality and regulatory authority of the resolution of all complaints received by the Municipality or regulatory authority within ten (10) working days of receipt of such complaint:

(2) The Franchisee shall notify the Municipality and regulatory authority of all outages, location of the outage, and the homes affected on a monthly basis:

(3) The Franchisee shall notify the Municipality and regulatory authority of major outages within the Municipality on the day of occurrence:

(4) The Franchisee shall provide the Municipality and regulatory authority through a monthly report with a daily breakdown for normal business hours, including Saturdays, of phone statistics on all phone lines for customer service and repair.

(m) All charges to subscribers and users shall be consistent with a schedule of fees for all services offered as established by the Franchisee. Notice of rate increases will be provided as per Section 26(c) of this agreement.

(n) The Franchisee shall not, with regard to fees, discriminate or grant any preference or advantage to any person; provided, however, that the Franchisee may establish different rates for different classes of subscribers or users based upon cost of service differentials; provided that the Franchisee not discriminate between any subscribers or users of the same class.

(o) The Franchisee shall be required to apprise in writing each new subscriber of all applicable fees and charges for providing cable television services.

(p) Except as may be otherwise provided in this Agreement, subscriber shall have the right to have its service, or any portion thereof, disconnected without charge. Such disconnection shall be made as soon as practicable and in no case shall billing continue longer than ten (10) days following written notice to the Franchisee of same by subscriber. The Franchisee shall not enter into any agreement with a subscriber which imposes any charge other than past due balances and unreturned equipment charges following disconnection of service, except for reconnection and subsequent monthly or periodic charges, and those charges shall be no greater than charges for new customers. This Section shall not prevent the Franchisee from refusing service to any person because the Franchisee's prior accounts with that person remain due and owing.

(q) Except as may be otherwise provided in this Agreement, the Franchisee may offer service which requires advance payment of periodic service charges for no more than one year in advance subject to the conditions contained in this subsection. A subscriber shall have the right, at any time, to have his or her service, or any portion thereof, disconnected without charge and with a refund to unused service charges paid to the customer within forty-five (45) days from the date of service. Refunds of \$5.00 or more will be paid automatically. Refunds of less than \$5.00 will be paid upon the request of the subscriber."